



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

SB1477

Introduced 2/9/2007, by Sen. Gary Forby

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-128

Amends the Electric Service Customer Choice and Rate Relief Law of 1997 in the Public Utilities Act. Provides that the General Assembly finds that it is necessary to assure that employees operating in the deregulated industry have the requisite skills, knowledge, training, experience, and competence to provide reliable and safe electrical service (now, the findings only provide it necessary to assure that employees have the requisite skills, knowledge, and competence to provide reliable and safe electrical service). Requires the Illinois Commerce Commission to determine whether an applicant meets the standards for certification as an alternative retail electric supplier by requiring the applicant to demonstrate possession of the requisite knowledge, skills, training, experience, and competence to perform those functions in a safe and responsible manner in order to provide safe and reliable service (now, an applicant must demonstrate possession of the requisite knowledge, skills, and competence to perform those functions). Removes language that makes the provisions concerning utility employees apply only during the mandatory transition period. Effective immediately.

LRB095 10879 MJR 31159 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by changing  
5 Section 16-128 as follows:

6 (220 ILCS 5/16-128)

7 Sec. 16-128. Provisions related to utility employees  
8 ~~during the mandatory transition period.~~

9 (a) The General Assembly finds:

10 (1) The reliability and safety of the electric system  
11 has depended on a workforce of skilled and dedicated  
12 employees, equipped with technical training and  
13 experience.

14 (2) The integrity and reliability of the system has  
15 also depended on the industry's commitment to invest in  
16 regular inspection and maintenance, to assure that it can  
17 withstand the demands of heavy service requirements and  
18 emergency situations.

19 (3) It is in the State's interest to protect the  
20 interests of utility employees who have dedicated  
21 themselves to assuring reliable service to the citizens of  
22 this State, and who might otherwise be economically  
23 displaced in a restructured industry.

1           The General Assembly further finds that it is necessary to  
2 assure that employees of electric utilities and employees of  
3 contractors or subcontractors performing work on behalf of an  
4 electric utility operating in the deregulated industry have the  
5 requisite skills, knowledge, training, experience, and  
6 competence to provide reliable and safe electrical service and  
7 therefore that alternative retail electric suppliers, electric  
8 utilities, and contractors or subcontractors performing work  
9 on behalf of electric utilities shall be required to  
10 demonstrate the competence of their employees to work in the  
11 industry.

12           The knowledge, skill, training, experience, and competence  
13 levels to be demonstrated shall be consistent with those  
14 generally required of or by the electric utilities in this  
15 State with respect to their employees and employees of  
16 contractors performing work on their behalf.

17           Adequate demonstration of requisite knowledge, skill,  
18 training, experience, and competence shall include such  
19 factors as completion by the employee of an accredited or  
20 otherwise recognized apprenticeship program for the particular  
21 craft, trade or skill, or specified years of employment with an  
22 electric utility performing a particular work function.

23           To implement this requirement, the Commission, in  
24 determining that an applicant meets the standards for  
25 certification as an alternative retail electric supplier,  
26 shall require the applicant to demonstrate (i) that the

1 applicant is licensed to do business, and bonded, in the State  
2 of Illinois; and (ii) that the employees of the applicant that  
3 will be installing, operating, and maintaining generation,  
4 transmission, or distribution facilities within this State, or  
5 any entity with which the applicant has contracted to perform  
6 those functions within this State, have the requisite  
7 knowledge, skills, training, experience, and competence to  
8 perform those functions in a safe and responsible manner in  
9 order to provide safe and reliable service, in accordance with  
10 the criteria stated above.

11 (b) The General Assembly finds, based on experience in  
12 other industries that have undergone similar transitions, that  
13 the introduction of competition into the State's electric  
14 utility industry may result in workforce reductions by electric  
15 utilities which may adversely affect persons who have been  
16 employed by this State's electric utilities in functions  
17 important to the public convenience and welfare. The General  
18 Assembly further finds that the impacts on employees and their  
19 communities of any necessary reductions in the utility  
20 workforce directly caused by this restructuring of the electric  
21 industry shall be mitigated to the extent practicable through  
22 such means as offers of voluntary severance, retraining, early  
23 retirement, outplacement and related benefits. Therefore,  
24 before any such reduction in the workforce during the  
25 transition period, an electric utility shall present to its  
26 employees or their representatives a workforce reduction plan

1 outlining the means by which the electric utility intends to  
2 mitigate the impact of such workforce reduction on its  
3 employees.

4 (c) In the event of a sale, purchase, or any other transfer  
5 of ownership ~~during the mandatory transition period~~ of one or  
6 more Illinois divisions or business units, and/or generating  
7 stations or generating units, of an electric utility, the  
8 electric utility's contract and/or agreements with the  
9 acquiring entity or persons shall require that the entity or  
10 persons hire a sufficient number of non-supervisory employees  
11 to operate and maintain the station, division or unit by  
12 initially making offers of employment to the non-supervisory  
13 workforce of the electric utility's division, business unit,  
14 generating station and/or generating unit at no less than the  
15 wage rates, and substantially equivalent fringe benefits and  
16 terms and conditions of employment that are in effect at the  
17 time of transfer of ownership of said division, business unit,  
18 generating station, and/or generating units; and said wage  
19 rates and substantially equivalent fringe benefits and terms  
20 and conditions of employment shall continue for at least 30  
21 months from the time of said transfer of ownership unless the  
22 parties mutually agree to different terms and conditions of  
23 employment within that 30-month period. The utility shall offer  
24 a transition plan to those employees who are not offered jobs  
25 by the acquiring entity because that entity has a need for  
26 fewer workers. If there is litigation concerning the sale, or

1 other transfer of ownership of the electric utility's  
2 divisions, business units, generating station, or generating  
3 units, the 30-month period will begin on the date the acquiring  
4 entity or persons take control or management of the divisions,  
5 business units, generating station or generating units of the  
6 electric utility.

7 (d) If a utility transfers ownership ~~during the mandatory~~  
8 ~~transition period~~ of one or more Illinois divisions, business  
9 units, generating stations or generating units of an electric  
10 utility to a majority-owned subsidiary, that subsidiary shall  
11 continue to employ the utility's employees who were employed by  
12 the utility at such division, business unit or generating  
13 station at the time of the transfer under the same terms and  
14 conditions of employment as those employees enjoyed at the time  
15 of the transfer. If ownership of the subsidiary is subsequently  
16 sold or transferred to a third party during the transition  
17 period, the transition provisions outlined in subsection (c)  
18 shall apply.

19 (e) The plant transfer provisions set forth above shall not  
20 apply to any generating station which was the subject of a  
21 sales agreement entered into before January 1, 1997.

22 (Source: P.A. 90-561, eff. 12-16-97.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.